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Report: Tafoya sleuth got warning from CIA

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The chief investigator in the Eugene Tafoya case says the CIA threatened him with prosecution if he testified about his conversations with agency employees, according to reports obtained Wednesday.

Fort Collins Police Detective Ray Martinez also said that after the warning, he began receiving anonymous phone calls telling him to "back off" from his investigation.

Martinez said the threats of prosecution came during a meeting in Washington July 7 with CIA lawyers Jerry Johnson and Barbara Pollack. They appeared to be disturbed about his investigation, he said, and asked if his bosses knew what he was doing. They warned that if he testified in court about parts of their conversation, he could be prosecuted.

When he arrived back in Fort Collins that evening, Martinez said he began receiving a series of threatening phone calls, even though his number is unlisted. A man's voice simply said: "You've gone too far. It's time to back off."

In police reports obtained by the Rocky Mountain News, Martinez claims that the FBI withheld information in the case pertaining to Tafoya's former employer, ex-CIA operative Edwin P. Wilson.

Martinez also says that while investigating the Tafoya case, he was told by a lawyer that former Green Berets were recruited to work for Wilson in Libya and that the recruiting was approved by the State Department. Some of the soldiers ended up training terrorists for Libyan strongman Col. Moammar Khadafy.

Tafoya is a former Green Beret.

The CIA Wednesday didn't respond to News inquiries about the allegations. But

Denver's FBI head, Jack Egnor, said that only "national security" items were withheld from Martinez. He said Martinez's comments were derogatory and that Martinez had launched a "one-man crusade. He's like a knight in shining armor. This is his chance in the light."

Martinez's reports show that the FBI waited three to four months before telling him that it suspected Tafoya of firebombing a car in Canada belonging to a reputed enemy of Wilson's. Martinez also contends the bureau waited months before processing leads about international connections in the case.

Several of those international connections, however, do surface in the files. For instance, the records suggest Tafoya may have had much more in mind when he returned to the United States from Libya than merely "roughing up" Libyan dissident Faisal Zagallai in Fort Collins. Tafoya was charged with attempted first degree murder but was convicted of third-degree assault last week in the Oct. 14, 1980, shooting of Zagallai.

Found in an April 22 search of Tafoya's home in Truth or Consequences, N.M., were names of scores of people and companies associated with Wilson. A few of those names were people who allegedly were enemies of either Wilson's or Khadafy's, and authorities have said they believe some of them may have been targets for revenge.

One of the many notes found in the search, for instance, contains an address of a Washington residence believed to be the home of Omar Yahi, described in the reports as former chief of intelligence for Libya. Yahi, who defected to the United States, has "bodyguards, drives Caddy may-be armor-plated," according to the note.

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Former CIA agent Kevin Mulcahy, who once worked for Wilson in Libya, was used extensively by Martinez in his investigation to explain Wilson's operations. He is quoted in Martinez's reports as saying that Wilson hired three Cubans to kill Yahi in 1976.

A note found in Tafoya's home mentions William Pearce, a former Wilson business associate reportedly hiding in Florida after being told he is on Wilson's "hit list." It suggests that Tafoya was supposed to gather information about Pearce.

Wilson and an associate named Frank Terpil have been indicted by a federal grand jury for smuggling explosives to Libya — an operation that allegedly began in 1976. Prosecutors believe Wilson has been hiring former U.S. military men, especially former Green Berets, to train terrorists for Khadafi.

Included with the smuggling indictment against Wilson and Terpil is a document dated June 30, 1976, that appears to spell out the original plot.

It alleges that ordinance experts were to be recruited to pose as a mine-field-cleaning team. The real purpose, according to the secret memo, was to teach the "students" the "design, manufacture, implementation, and detonation of explosive devices effectively used in conjunction with psychological/espionage/sabotage/warfare activities."

During their advanced training, the students would learn how to blow up such things as refineries and cement plants. The secret proposal has Terpil's name at the bottom.

The recruiting of Green Berets to work for Wilson in Libya allegedly was carried out in part by ex-CIA agent Pat Loomis and Washington lawyer Ken Conklin from a pool of retired military men living near Fort Bragg, N.C. Conklin, the reports say, told Martinez that the recruiting was approved by the State Department.

Conklin could not be reached Wednesday.

Wilson's Libya connection was publicized widely after Zagallai's shooting last April. His organization was implicated immediately in the case and Wilson's photograph was shown to witnesses.

Tafoya's arrest brought even more pressure on Wilson by law enforcement officials.

But there had been a series of attacks in Europe on Libyan dissidents even before the Zagallai shooting. At least 10 died.

Martinez's records indicate that a Wilson associate had been seen directing an alleged Libyan hit team about a week before an assassination in England.

Found in Tafoya's house were cables sent by Wilson — who was code-named Angus because he used to raise steers — to an unidentified man in Geneva April 28, 1980. They also indicate that Wilson was coordinating a mission in Europe about the time of most of the assassinations. Wilson asked a man in Geneva to please "come down" and discuss the mission. The man — code-named BE — replies: "My part of this project is over. My friend wants to continue until conclusion or go to the box. Contact him at our favorite hotel, room 218. I have signed over to him all funds to be utilized as directed by U." The reports say that "box" is short for "sandbox" — the code name given Libya.

The message was sent to a hotel room the FBI said was rented by a man named "Ben Dahan."

Martinez took his investigation to Washington where he says an Army general warned him that Wilson would try to bribe Larimer County jailers to let Tafoya escape. Martinez noted in his reports that Tafoya's wife, Betty Jo, was caught earlier entering the jail with \$5,000 in cash in her bra. The guards kept the money until she emerged from the jail.

Tafoya is free on \$5,000 bond pending sentencing Jan. 5.